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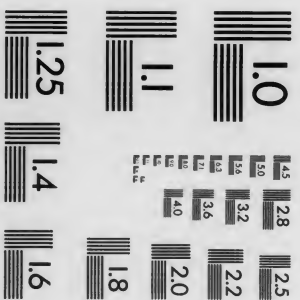


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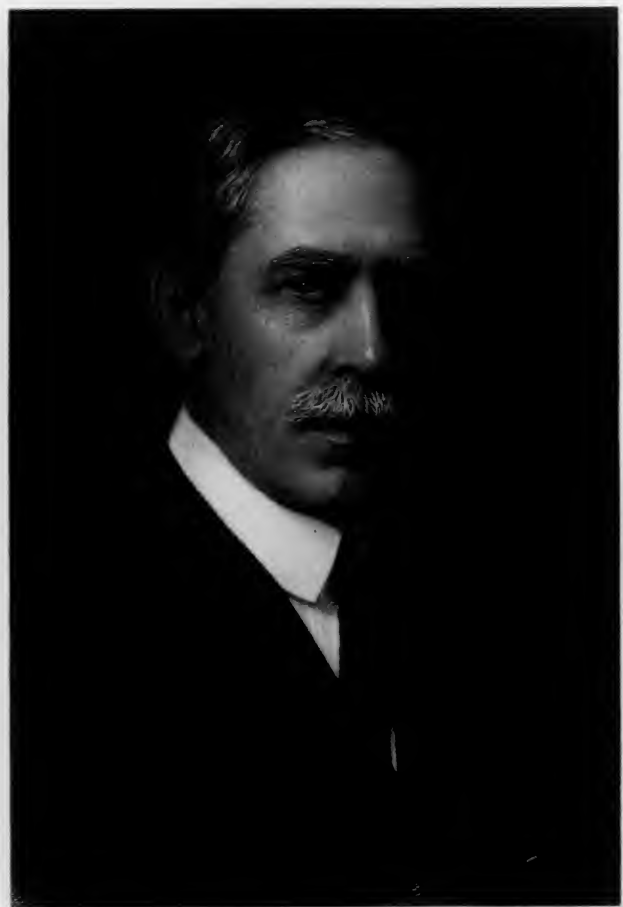
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JOSEPH
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RECOLLECTIONS AND IMPRESSIONS
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"Nature seems to exist for the
excellent. The world is upheld
by the veracity of good men.
They make the earth wholesome.
They who lived with them
found life glad and nutritious."

—Emerson

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FOREWORD

IN this book are set forth some of the things we know about Joseph Schaffner as he disclosed himself in his daily business relations with the men and women of his own organization.

It is one indication of the nature of our association with him that, although we were merely employes, he gently rebuked any reference to himself as "chief"; he said: "I am simply an employe, too." We worked with him rather than for him.

Since he left us, we have all wanted to remember and in some way perpetuate the impressions and memories of our friend and co-worker; so much of what he gave to us is too rich to lose. We have tried here to record some of these things and to present an intimate portrait of the man as he appeared to us from day to day; for to have known Joseph Schaffner is a great and enduring inspiration.

EARLY DAYS

FROM the Civil War to the World War, big business was the dominant note in American life. That period marks a great commercial and industrial development. Business absorbed politics; combinations were forming; production became vast; great fortunes were reared. Success, measured in terms of business achievement, was the great goal of the day. The self-made man who had come from the log cabin or the steerage to business captaincy was the shining example for the youth of the country. It was in this period that Joseph Schaffner lived.

The mature years of his life almost exactly lap this business epoch. He became twenty-one years of age about the time the country had ceased to stagger from the effects of the Civil War and his death in 1918 came only a few months before the end of the World War.

His contribution to this glowing period was an unusual one. He achieved his share of business success and he did more; he took an honorable and creditable part in the times in which he lived and also he projected himself into the days beyond his life.

The idea of how much a business or an industry can serve the community at large and how it can do that to the mutual advantage of all the people engaged in it seems surely to be the line of development for the next epoch. Joseph Schaffner foresaw the trend and was a pioneer in that field of thought.

The industry to which he gave his greatest thought and service was hardly beyond the craft stage when he began his career. Before he died it had become one of the large industries of the country, and a great contribution to its character and standards had been made by the firm of which he was a member.

There was nothing in his early life, his education or his training that seemed espe-

cially to prepare him for this career. He was born March 23, 1848, in Reedsburg, Ohio, his parents having emigrated to America from Germany. The schooling that he received was typical of the times, consisting of a few years in common school, and his total schooling was certainly less than equivalent to what is today given in the first eight grades of the public schools.

He had the experience of many another merchant of receiving his first mercantile training in a country store where he counted and candled eggs and exchanged them for sugar or calico. The great strife or feeling preceding the Civil War did not reach him; he was too young. But as a boy of fourteen or fifteen years of age he sold articles of food to the soldiers who happened to be near-by, and he recollected it as an unusual experience. He lived for a time in Cleveland and reached Chicago as a young man, barely of age, with the desire to earn some money and contribute to the support of his parents. His endow-

ments were the Jewish inheritances of character and ambition and mental alertness.

For nearly twenty years the unusual things did not greatly enter into his life. He progressed in business and prospered. His work was done with vigor and ability but the important use of his great faculties was deferred. These years, however, even though their description sounds commonplace, inevitably were preparing him for his subsequent career.

Somewhere in the early years of his life, perhaps from his mother or from his father, possibly from the debates held around the stove of a country general store, possibly from some book or from some person, he received the stimulus to read. As a young man he learned to prefer good literature. His mind had a seemingly natural preference for the best things that had been thought and written in the world. Early in life he knew and loved Shakespeare; he eagerly read essays and biographies. What he drank in was good;

it went into a mind that absorbed and interpreted and made it a part of its own life.

When he was nearly forty years of age, he severed a connection that represented the work of his youth and planned to start to the Northwest on a new business venture. At this critical moment of his life, suddenly and unexpectedly he entered a partnership with men who knew him and understood him and whom he knew and understood, and with that moment began his real career.

There followed a little more than thirty years of association with these men. Into those years they crowded achievements of the most brilliant nature that gave to the clothing industry a dignity and standing which it did not before possess.

Ideas of business promotion bore abundant fruit. Advertising was introduced into the plan of clothing distribution and applied so effectively that it revolutionized the promotion side of the business. In doing it, there was incidentally made a contribution to the

general standards of advertising, the value of which is permanent.

The interest of educators and students was aroused in the problems of commerce and industry through prizes offered for essays on economic subjects.

An industrial crisis was met and principles of common justice applied to it in such a way that one of the famous labor agreements of America was produced.

These things were done in the midst of the development of a marvelous business, the success of which in itself constituted a great achievement for the men engaged in it.

THE TREASURES OF HIS MIND



It is because Joseph Schaffner filled his mind full of the great thoughts of the world, because he was essentially imaginative and almost poetical in his thought, and because he constantly showered upon others the things that he himself had gleaned, that we introduce into this recollection of his life a chapter on the treasures of his mind.

As a rule, the environments of business and its demands do not furnish business men with much opportunity to disclose anything more than their daily judgments and decisions. We are not, ordinarily, accustomed to receiving from business men what we received from Mr. Schaffner, but no one could meet him daily without being impressed with the fact that his mind was filled with treasures and that he was always eager to share them.

What he lacked in the way of a college or university training he had well made up in a remarkable way by his devotion to good literature, and it was this process of training, self-imposed, which made him one of the most highly cultivated men one could meet—a respecter of intellect, a friend of many men of culture and training. He had an insatiable hunger for the best thoughts of men.

In his daily business intercourse, he always introduced something apart from business and yet not apart from it. He avoided the shrewd and the crafty processes. He always brought something human, something high and helpful, into the most ordinary business transactions.

And yet he was first and always a business man. His characteristic was that he directed not only great powers of intellect to business experience and the daily affairs of commerce but he also applied everything he thought and felt to the same end. There was nothing in his life or in his experience that seemed to be foreign to business.

Day after day, and many times a day, many of us had such experiences as this: A matter of business was to be laid before him and discussed with him for his advice and approval. He kept in close, active touch with all business matters. He insisted upon clear and brief presentation of subjects. When they were before him he would give them thoughtful attention. His mind seemed to run ahead and to understand what was coming. He weighed everything rapidly but not too hurriedly. His opinions were quickly formed and emphatically expressed. Then he might relate some incident of business which had a bearing upon the matter in hand or draw upon the great fund of good things in his mind to give point and emphasis to his comment.

It was truly remarkable how he could delve into the recesses of his mind and pick out illustrations or incidents or quotations to fit the prosaic matters of business, or he might entirely discard business thought and say, "I was reading last evening in Boswell's 'Life of

Johnson'" (or in Matthew Arnold's "Essays," or perhaps one of his favorite poems) "an extremely interesting part where he says—" and then would follow a quotation.

Sometimes it was: "By the way, have you read—" mentioning some book he was then enjoying. "You must read that; it's just the sort of thing you would enjoy. I'll get a copy of it and send it to your home"; or he would strongly recommend the purchase of this or that work, usually with a keen and accurate perception of the individual taste and perhaps the intellectual needs of the man to whom he was speaking.

There is probably not one among the men or women who were fortunate enough to be on these terms of personal daily intimacy with him who cannot present a list of books—gifts from him, or bought at his urgent recommendation—and which now grace our own libraries. His influence was an inspiration to the higher life of the intellect; and he exerted this influence daily in business relationships.

Here are some of the works and authors whom he often quoted or included in his gifts: The "Essays" of Matthew Arnold; Boswell's "Life of Johnson"; Walter Raleigh's "Essays on Samuel Johnson"; "Essays on Shakespeare"; John Morley's "Studies in Literature" and "Life of Gladstone"; Walter Pater's "Essay on Style"; Francis Parkman's works; Symond's "Italian Renaissance"; "Letters of Junius"; Prescott's works; Taussig's "Principles of Economics"; Leslie Stephens' "Hours in a Library"; the "Letters of Charles Eliot Norton"; the "Life of John Hay"; the writings of Lafcadio Hearn; Anatole France's "The Crime of Sylvester Bonnard"; "Essays on Shakespearean Tragedy," by Bradley. These are only a few books. This list is an indication of the breadth and variety of Mr. Schaffner's reading; he did not recommend a book he did not know personally.

It must not be supposed that his reference to these and other literary treasures was made in any pedantic way; he was merely one

lover of books pointing out to others the good things he had found and enjoyed. For his own refreshment he preferred the "old stand-bys"; and his excursions into other fields would usually bring him back, with renewed relish, to Boswell's "Johnson," to Macaulay's "Essays," to Shakespeare, Matthew Arnold's "Essays," Wordsworth's poetry, and Marcus Aurelius. More than once he quoted an incident reported of the poet Tennyson, that, when dying, he said to his attendant, "Bring me my Shakespeare," and then remained quiet, holding the beloved volume in his hands. His own love of Shakespeare made this anecdote very precious to Mr. Schaffner. "What was good for Tennyson is good for me," he said.

He often, half-shyly, would apologize to us for so frequently permitting these matters of the intellectual life to interrupt the orderly process of business; but we now realize what a constant stimulus and inspiration he was in all these matters, and we are spiritually richer for his daily influence.

He had a modesty about his gifts of books that was truly charming. To a man or woman who was desirous of expressing ardent thanks for his thoughtfulness, he would say, "Why, I had a selfish purpose in doing that. In reading a book of that kind you derive good from it and, in turn, you put it back into the business. That is my way of getting more out of you." With such an employer as that, how could anyone do less than give him more?

That he possessed rare literary gifts of his own in a very large degree was evident to all of his associates, but he modestly and almost emphatically disclaimed them. He had great ability in the use of simple, forceful English and some of his letters, both of a business and a personal character, are worthy to rank among the best letters ever written.

He had a keen and lively sense of humor. He sometimes said that temperamentally he was perhaps inclined to be melancholy, but this was seldom apparent. Occasional periods of gravity were signs that he had something

of a serious nature before him or that he was not feeling physically at par, but he loved good stories and told them and listened to them with much satisfaction. His method of giving advice or instruction or making his point in an argument was very often by the medium of a remark or an illustration that brought a laugh.

His appreciation of his associates was very beautiful. He was constantly referring to the qualities of the men around him. One man he would greet jocularly, "Good morning, talented exponent of our views," and he enjoyed the respectful familiarity of the retort, "Hail to you, venerated patron of the arts," or some other high-flown term. Of another man he would say, "He is nothing short of a wizard. I don't see how he directs his complicated work with such smoothness." Of another, "See that man with the steam engine walk. When I see him moving along like that, I know he is after something and that he will get it."

No man ever possessed in a greater degree the ability to inspire. Men naturally became confidential and told him their problems and expressed their hopes; they never departed from his office without feeling a glow of some higher resolve and happiness. It might be some young man in the house who had ambitions to build a home, or some man who possibly had been rather careless about his expense, or a merchant who was troubled about his relations with his partners. But, no matter what the problem was, it would clear away before Mr. Schaffner's philosophical and inspirational advice.


With himself, Mr. Schaffner was very severe. He was acutely sensitive, with a sort of a conscience that led to much reflection and constant questioning of self. He would torture himself for weeks and spend sleepless nights because he thought that something he had said of someone he respected might have given unintentionally an unfair or unjust impression. A soul like his was bound to pos-

sess the most acute and remarkable sense of honor. Those around him were constantly trained in the morals of keeping faith and of avoiding sharp and shrewd practice. He used to quote often from his beloved Marcus Aurelius, "Fear nothing but disgrace."

He retained to the end of his life great mental youth and flexibility. He gathered young men around him and in the light of their younger vision he constantly re-examined his own ideas and policies.

We who were associated with him and privileged to have a share in his activity were constantly made to feel on terms of equality and friendliness. He was an elder brother and wise counselor, an intellectual and spiritual inspiration, to his death. We are beginning to realize our debt to him.

THE BUSINESS MAN—I

HE springs of Mr. Schaffner's influence came from the deep sources of spiritual strength — a strong faith in men, his belief in their honesty, his unshakable confidence in the high ideals which he steadily applied to his own business. It is not to be wondered at, therefore, that the profound impression he made upon his closest business associates extended to the executives of the house, the salesmen, the rank and file of the organization, to retail merchants and to any man with whom he had business relations.

When the partners of Hart Schaffner & Marx began their association, the industry as a whole had been on a "caveat emptor" basis and was not highly respected. They could see no reason why the clothing business should not be as respectable as the banking business; and they purposed to make it so.

Bad practice in business was courageously fought and efforts made to educate to the dignity of their calling a great body of retail merchants all over the country. For thirty years they encouraged the highest standards of business and held that, if a merchant would prosper, he must make his profits in the service of his customers rather than at their expense. As Mr. Schaffner once said, "If we were here only to sell goods and make a lot of money, it would not warrant us in pushing so hard, because no one has the right to high consideration who has nothing but a material object as a basis for his motives. It is useless for us to say we are not striving to make money, because that is the measure, after all, of success in business; but it is gratifying at the same time to feel that it is coupled with an ethical principle that puts us on a big, broad, moral foundation. The best evidence of this is that people generally acknowledge we have done much to raise the standard of the clothing industry. I believe

if we could really appreciate what we have here we should be overflowing with the joy of our activities and grateful that we are connected with a business that has given us such opportunities."

In many ways he expressed these high policies to merchants. There are hundreds of retailers throughout the country who would gladly acknowledge the debt they owe him for his encouragement, for his kindly admonitions, for the ideals which he constantly held before them.

Any merchant who disregarded ethical principles was quite certain, sooner or later, to bring down upon himself a wrath that was scathing. It is a tribute to Mr. Schaffner that his most searching and severe methods in such cases seldom aroused resentment.

We who were in close touch with many of these cases sometimes had moments of anxiety as to the effects of such severity on the business; but Mr. Schaffner calmly said, "I know I'm right about this and he's wrong.

Don't worry about the effect on the business. When you're sure you're right, go ahead." There are merchants today who were pulled out of the mire of disreputable practice by the severe rebukes administered by him.

In the early days of the business, the cancellation of orders was a common practice except among the best merchants and there was almost no attempt to frustrate it. A merchant felt at liberty to buy as much as he pleased and take as little as he pleased. This abuse Mr. Schaffner attacked with all of his energy. He did not have the idea that, lone-handed, he could wipe it out at one stroke but he did believe that the flagrant cases should be fought to the last ditch and that gradually merchants should be taught that good faith must be a part of every business transaction.

On one occasion a large retailer, after an order had been accepted, undertook to make an extensive cancellation by mail and did so in an arbitrary and high-handed manner. This

brought a rebuke so thorough, so full of justice, that the man who received it must have had a new view of himself.

Unfortunately the files containing the letter no longer exist but it remains in the memory of the people in the office and certainly it is still in the mind of the man who received it. It was a firm, dignified denunciation of the practice and concluded with the statement that the company had no desire to do business with a man who did not keep faith and that he was entirely welcome to make his purchases elsewhere in the future.

There was great interest as to what would follow. In those days, not one business man in a thousand would have predicted any other result than the cancellation of the entire order and the severance of business relations. What happened was that no part of the order was cancelled. The goods were accepted and the account remained on the books as long as the merchant continued in business. The emphasis with which the letter scorned any suggestion

of departure from standards for the sake of business gain was a triumph of moral force.

When the firm was young, Mr. Schaffner gave personal attention to many details. He answered the important mail, passed upon the credits, checked out-going shipments, and kept closely in touch with all departments. He thus knew personally and intimately many of the men who grew to positions of great responsibility in later years. His understanding of them and their appreciation of him were among the beautiful things of his business career.

In the later years of his life, it was a common occurrence for him to hail such men as they were passing by and take them into his office for a "talk." Those talks were bright spots in the lives of the men who enjoyed them. In the most delicate manner, the question of personal relation to the business was discussed, the road to further achievement was inspiringly pointed out, and praise and stimulation were benignantly bestowed. Only

a man who had that relationship with Mr. Schaffner realized the wonder of it. No one was lost sight of. The office boy of the early days who had become a man of responsibility was held up to others as a shining example. A man who stumbled was given a helping hand.

It was a great delight to Mr. Schaffner when he discovered that any particular young man was growing in business capacity. That man was at once flooded with encouragement and opportunity. Frequent excursions were made through the house, from floor to floor, to the salesroom, the order department, the back order floor, the shipping-room, and elsewhere, to chat with the executives or with the rank and file. The return from such tours always meant new thoughts and suggestions about men and methods. He would say, "I was in such and such a department today. That boy up there (mentioning his name) is doing fine work. Keep your eye on him and give him more responsibility." And the mat-

ter was not dropped with one suggestion; it was always followed up.

At one time he was about to leave on a vacation. Shortly before train-time, an employe brought him some routine things for his consideration. Mr. Schaffner said, "Who will decide about these things when I am away?" The employe said, "We shall have to do it to the best of our ability." The reply was, "You may start doing it now and keep it up. Follow your best judgment. If you make mistakes, and you probably will, I shall forgive you."

That was one of his qualities—the throwing of responsibility on growing men. Another trait was his absolute and unfailing support of any man who had made an honest effort to do a task whether or not he was successful. The sign of progressiveness on the part of an employe in undertaking to do things and doing them intelligently was always a great joy to Mr. Schaffner. He did not excuse blundering; on the contrary, he

abhorred it, but honest, well-timed, intelligent effort always received praise from him no matter what the outcome.

If a salesman encountered a quarrelsome customer, that customer would be lost to the business rather than that the company repudiate the salesman. There was never any question as to where a good employe stood if he encountered difficulty in the conscientious performance of his work.

The attitude and relations of Mr. Schaffner to salesmen may perhaps be best indicated by their attitude and relations to him. One of the salesmen expressed what all the salesmen thought:

"Mr. Schaffner had a particularly keen ethical sense in dealing with merchants or with any question of policy which we might have occasion to discuss with him. He simply wanted to know what was the right thing, the fair thing, to do and then he tried to do that. He did make mistakes, sometimes. I remember on one occasion a number of the

salesmen had done something of which he did not approve. It was in a sense a purely personal matter with these salesmen—nothing directly connected with business.

"But Mr. Schaffner always had a fatherly feeling toward 'the boys,' as he always called us; and he took it upon himself in this case to call these men into his office one at a time and admonish them, somewhat severely they felt. He talked very plainly to them; as one of them put it 'he raked me over the coals pretty roughly.'

"The next day, each of these men was again summoned to Mr. Schaffner's desk, and something to this effect was said: 'I told Mrs. Schaffner last night, after I reached home, what I had said to you yesterday, and she said I was entirely wrong; that in a matter so personal as that you had a right to do as you pleased, and that I had no right to scold you as I did. I believe she's right about it; my motive was good but I was wrong and I want to apologize.'

"It was this sense of fairness which endeared the man to us; it was his acute perception of 'the right thing' which everyone liked. It was such a policy in business which did so much to raise the general standard of business ethics not only here among us but generally throughout the clothing trade."

"I never went to Mr. Schaffner to talk about my problems and difficulties as a salesman," said another member of the selling force, "that I did not come from the interview encouraged and made to feel that I was a better man; that I could overcome any obstacle. I believe that every man who talked with him had a similar feeling; and many of them have said that a half hour's talk with Mr. Schaffner made them feel a sense of partnership in the business.

"The letters written by Mr. Schaffner to 'the boys' were also a great inspiration; all of our salesmen will agree with me when I say that many times after a disappointing day, when I felt blue and discouraged, a letter

from Mr. Schaffner would come and it would revive and rejuvenate my spirits and make me feel able to conquer anything. He was a master of inspiration."

By conversation and by his letters—Mr. Schaffner's letters are considered in a chapter by themselves—he stimulated, encouraged, admonished his salesmen. He often said that the best way to get a man to do anything that had to be done was to express belief in his ability to do it.

In the delicate matter of credit, Mr. Schaffner was both strict and liberal. Being himself a man young in spirit he had great faith in young men and older men of youthful ideas. He examined character and integrity more closely than financial resources. He constantly said, "When you find a young man who wants to go into business, don't worry too much about his capital. If he's the right kind of man, give him a chance; he'll make good for you."

There are many accounts on the books of the firm today which were refused credit by

other manufacturers but accepted by Mr. Schaffner on his confidence in character and his keen judgment of men. His belief in the "average of honesty" was strong and he often cautioned against too great rigidity.

"How much would you lose," he sometimes said, "if you shipped without question every dollar's worth of goods anybody wants to buy from you?" He often discussed this matter at length and mentioned instance after instance of weak concerns made strong by right treatment. He strove to show to the credit department that it was not a wise policy to scan prospective accounts so closely that every possible chance of loss was eliminated. He held that the only way to make volume of business is to trust men of character and guide them in the wise conduct of their business.

His theories of credit were fully justified; no "credit man" in the world had a larger percentage of "discounters" than he. After a serious talk on this vital subject on one occa-

sion Mr. Schaffner shot a ray of humor through the discussion by saying, "I sometimes think that our concern can get along almost as well with a credit man as it could without one."

When a failure occurred which could not be satisfactorily explained, such a merchant did not find it easy to make a settlement. Mr. Schaffner believed that an easy settlement encouraged failures. But if a merchant had been merely unfortunate through circumstances over which he had no control, he received without question warm support and aid. There are many merchants who are today prosperous because, at the critical time, they received the needed support. One instance of this policy will illustrate many others.

An old, conservative, retail clothing concern, owned by a man in middle life, a fine type of the gentleman in business, was given a severe blow by a disastrous fire which practically wiped him out. It was found, after this

catastrophe, that the head of the concern, good business man as he was, had made a very serious blunder, as good business men sometimes do. He had allowed some of his insurance to lapse and the loss by fire was a serious one. The problem for this man was a difficult one to meet. How could he resume business with his capital and assets so badly impaired? He came to see Mr. Schaffner, accompanied by his young junior partner. They came "hoping against hope"; the average manufacturing concern would have been sorry for them and would have expressed sympathy and let it go at that; there was nothing in their financial position to recommend them.

Mr. Schaffner met these downcast men with cheerful optimism and, after a long, friendly talk and counsel, he said to the merchant, "You may go to the sales floor and buy as much merchandise as you want, and we will ship it at once. Go back to your home; get your new store ready, and we'll have the goods there for the opening."

The result was so unexpected to the merchant that, when it fairly dawned on him that his business life was literally being saved, he bowed his head on his hands and burst into tears. The junior partner, a young man of great loyalty to his elder associate, was equally affected. The men were of fine natures and both had been under a great strain and to have this lifted and to feel themselves back in business again, standing before the world as they had always stood, was so great a relief that it could be expressed only by the emotions.

Mr. Schaffner, in referring to the matter later, justified his action by saying, "It wasn't that I was sorry for the man—anybody would have been sorry for him; but sympathy is not a good basis for a large credit. I got at the heart of the man; I saw what he was, and I believed in what he could do. I wasn't really taking a very great risk."

His judgment was confirmed. The concern, in a new store, with a new stock, stimulated

by the hope of new success, quickly justified the confidence placed in it.

In these and other ways, Mr. Schaffner spread abroad his beneficent influence upon all with whom he had relations.

To a man of his conspicuous success, it was inevitable that opportunities for public service should come. There were two things that prevented him from doing much work of a public nature. One was his absolute passion for the business. He believed that a man could contribute most to his city or his country by achieving results in whatever he undertook. He believed that, in building up a big business which really served, a man rendered a public service more truly than if he undertook many public functions and neglected his business. Even realizing that his tremendous ability, applied in any direction, would have had results, we can all now see that it would have been a distinct loss had he diverted his mind from the business to outside enterprises.

The second thing that prevented him from accepting honors was his great modesty, not that he misunderstood or was unmindful of honest praise. While he abhorred flattery, he liked to feel that the things he did or that the business did were understood and truly valued. Coupled with that, however, was a natural shrinking from being personally conspicuous. Although he had a fine, commanding voice, nothing could induce him to make a public address. His aversion to doing so amounted almost to an obsession, so that his public appearances were rare.

There were intimations conveyed to him from time to time that, if he would express a willingness, appointments carrying with them high honor might come to him, but he discouraged all such thoughts. He accepted one bank directorship and was very conscientious in the performance of his duties but found it required more of his energy than he was able to give. He had other opportunities to become associated with leading financial institu-

tions and he was frequently mentioned for high appointments. While he felt it was a fine thing on the part of men who could perform such duties to render such service, he could not have failed to recognize that a far greater opportunity for service lay in the course that he followed.

THE BUSINESS MAN—II

THE progressive character of his mind made it natural that Mr. Schaffner should grasp quickly the possibilities of publicity when applied to business. It was a sign of his calibre that all through his business life he caught the importance of new forces and utilized them before most men were ready to accept them. In the nineties, the education of the public as to the value of goods was for the most part carried on in a crude and desultory way. He foresaw the possibilities of this great force and its application became an activity in which he felt the keenest and liveliest interest.

The first efforts in publicity aroused some curiosity but more skepticism in the trade. Some of the old-timers smiled indulgently to see a young business house squandering, as they thought, its hard-earned profits in newspaper and magazine space. They said that it

was an expensive way to gratify pride, but it wasn't their money, so they at least would not be the sufferers.

In talking about the general attitude of the trade at the time of the first efforts made to educate the consumer, a dean of the advertising fraternity gave this personal observation:

"Mr. Schaffner was the object of much curiosity and some sympathy when he began advertising. One of his competitors met him one day and mentioned the matter. This competitor said if a man wanted to throw money in the lake it was a fine way to go about it. Mr. Schaffner agreed that it cost money, all right. About a year after the same man was encountered again. He said, 'I see you are still giving some of your profits to the publishers.' Mr. Schaffner admitted the charge and also acknowledged on being pressed that he was not able directly to measure the return from the expenditure. After a few more years, those interested began to show anxiety about the matter. The expenditure had in-

creased year after year and the supposed recklessness of the venture began to take on a new aspect. It was beginning to dawn on the industry that a new force was at work; there were unmistakable signs of a new leadership. It took a few years for it to permeate and by the time the effect of advertising on the public was fully recognized in the industry Mr. Schaffner's work had progressed far."

In an article by Mr. Schaffner, written at the request of the editor of a leading business magazine and published in its issue of February, 1915, he referred to his use of publicity in these words:

"When I first became associated with my partners, their high ideals of business, their devotion to the work they had undertaken, their ethical sense of obligation to those who bought and wore their goods, their strong purpose to give value, their pride in the quality of their product—these things impressed me as profoundly as they had impressed others. Our national advertising grew out of a desire

to tell everybody what these men had done and were doing. The advertising began in a small way; about \$5,000 was the extent of our first year's appropriation and that seemed a good deal at that time. We were told very frankly by other manufacturers and by retailers that advertising would not pay us. One of our customers who now owns several very important retail stores could not then be convinced that our advertising would help his sales; he did not believe that we could draw people to his store for our goods. It wasn't long after when this man discovered that the public was acquiring a knowledge of our clothes and a belief in their quality. Advertising increased our volume; volume has enabled us to increase our value-giving, both by lower prices and by putting more quality into the goods. Advertising has been, and is, an economy."

Mr. Schaffner's temperament and his broad knowledge of good literature made him an invaluable critic and guide for the men who

wrote "copy." His criticism was pointed and always constructive; he had a keen sense of the merits of a well-written phrase or paragraph and, when he suggested a change in the wording of an advertisement, it was always an improvement.

He frequently wrote an advertisement himself and submitted it, in a half-apologetic way, to the members of the staff and was always genuinely pleased when his work was approved by them. It indicated the fine spirit which he showed toward all of us, that he accepted criticism of his own writing exactly as he gave it to ours. Very often he would take the "copy" for an advertisement and with his own hand re-write a paragraph or change a word here and there, and then say, with a laugh, "Now *we* have made a very good advertisement."

He possessed in a very marked degree the fine quality which enables a man to take "the other fellow's" point of view—one of the essential qualifications for writing good adver-

tising. He was able thus to express himself quite impartially and in a manner that carried conviction.

From the first, the advertising employed illustrations to a very large extent. It was determined that the pictures used should be of high character artistically; and he gave close attention to this phase of publicity. Although not as expert a critic of art as he was of literature, he had a keen feeling for artistic things, and was always deeply interested in good composition and fine color effects. He gathered about him in this branch of the advertising work men of much ability, artists of high standing; he led them to feel that they were not debasing their art by making it serve the ends of business; he listened thoughtfully and patiently to those who were trained to judge of such matters. He had the greatest respect for trained men in any field. His natural sense of artistic values was rapidly developed by the study of art in advertising and his grasp of it grew as years passed.

In illustrations of clothing he did not want the smooth, unwrinkled effects which were then so common on "tailors' style charts." He wanted men shown whose faces had character, whose bodies were human and real. He permitted his artists to draw the clothes and the men as they really were. When an artist produced something good, in color or in black and white, no matter how new or advanced it might seem, it never failed to receive Mr. Schaffner's approval, and in such matters time usually proved that his judgment was correct.

He was convinced that good advertising would not only increase sales but that it would help to raise the general standards of quality in the merchandise and improve the policies throughout the industry. He believed advertising would eventually make possible large-scale production, thereby reducing costs to the minimum. He once said, when the question of the amount of advertising appropriation was under discussion, "When we

want to reduce expenses, we increase the advertising appropriation."

The first attempts at advertising, however, were not very impressive. It was a new field and he entered it cautiously. He often laughed, in later years, at these small beginnings; and occasionally, when authorizing an expenditure of many thousands of dollars, would refer to those beginning days when he thought \$1,000 was a large sum to spend. He learned advertising by doing it; his mind grasped its meaning and its fundamental principles very quickly. He was a "progressive" advertiser from the first.

As the general theory and philosophy of advertising grew more clear in his mind, he vigorously sought to encourage advertising of a better type on the part of retail merchants. Under his guidance there was built up a service which became, as the years passed, one of the phenomena of business. Advertisements were prepared under his direction which retail merchants were glad to use as

their own or adapt to their business, and by this means better policies and higher standards of business were encouraged. In this and in other ways, the influence of the man made itself felt throughout the country. He encouraged his customers constantly to do more as well as better advertising.

On one occasion, he wrote to a merchant who was inclined to curtail his advertising expenditure on a mistaken idea of economy:

"Our idea in advertising has not been to give a testimonial of good will, when business is good, to newspapers that need money, but to increase our sales; and we have consequently swelled our advertising whenever the prospects were gloomy. Our policy in bad times has been redoubled efforts.

"The other theory—of feeling that you can afford to advertise only when you are making a lot of money—places advertising on the basis of charity, pure and simple. If this were so, the great national businesses of today would not exist. But advertising is far from

charity. It is an investment on which the first dividend is sometimes deferred but which has its return compounded.

"If you were a farmer and had some poor land, you would not devote half the care to that land that you regularly devoted to your better land, but would double the amount. When there is a prospect of a poor year, normality will be secured not by neglect but by extra efforts.

"There is no system that we know of by which you can discriminate between the people who are future customers and the people who are not. If there were, it would certainly revolutionize business."

He felt strongly that the national advertising he directed had created a great good will for the concern and its merchandise; and that retail merchants who sold the clothes ought to utilize that asset in their own advertising. He constantly preached that idea to them.

He said to a merchant: "We have never considered advertising an expense; it has

always proved to be an economy. It has given us immense volume; has kept down our manufacturing costs on that account, as well as our overhead. The same principle applies to the dealer in each community where our goods are sold."

To another merchant he said: "It is somewhat difficult for merchants, who have been accustomed to a certain fixed idea as to the amount of profit that one is entitled to in relation to expense, to change their viewpoint, just as some of them hesitate about spending money for advertising because their businesses do not justify more than a certain expenditure. But if they make the investment in publicity, even far beyond what the current business warrants, the experience of those who have tried it proves that the volume soon overtakes the appropriation and reduces the cost of advertising by the increased profits. It takes some courage to do these things, but one soon becomes bolder as one realizes the impetus it gives to business."

One characteristic of Mr. Schaffner's relation to the advertising was the frequency with which he suggested and approved the preparation of "advertising which did not advertise." Booklets on "Courage," on "Enthusiasm," on "Co-operation," and on many similar subjects were issued which did not directly advertise clothing; in many cases the only reference to Hart Schaffner & Marx in the booklet was the company's imprint on the title page. These booklets were inspirational in character and widely read. Mr. Schaffner often said to his advertising men, with a gentle smile, "Don't always try to sell clothes; let this go through without any 'clothes' in it—just be helpful, if we can, in developing better business ideas."

In one of these booklets he preached a much-needed sermon on dignity in business. He said:

"The clothing merchant of the present day sustains a relation to his community of considerable importance. The clothes a man

wears are to some extent a true index of his character and tastes; but they're also an influence upon his character and tastes; they affect in an unconscious and more or less indirect way his standing in the community. This being true, it is easy to see that the clothing man has a duty to his fellow-citizens which ought not to be neglected or treated lightly; and a part of that duty is to maintain his own dignity in the business, to lead his customers to regard clothes and clothes-buying as a matter of importance. When a clothing merchant reaches the point of seeing that dignity in business pays, that his duty as a merchant to his customers is a higher one than merely selling merchandise, that he ought to serve them as well as sell to them, and that his highest service and value to his community is to see that the men in it wear the kind of clothes that are really best for them—when he gets these things once settled in his mind, he generally attains success and with it a high degree of gratification."

It was a matter of much pride to Mr. Schaffner when one of these booklets, with the title "Enthusiasm," not an advertisement but an argument for the value of enthusiasm in business, brought letters from heads of large concerns in other lines of business who had seen the booklet and who asked for fifty or a hundred or more copies, for use among their own employes.

Every now and then he did a sudden and unexpected thing which for a time brought consternation to the advertising staff, but which proved in the end to be one of those daring master-strokes of business which seemed intuitive with him. One such experience recurs to us. It arose out of a question of the price at which the clothes were sold at retail. Retailers insisted that they had to sell lower-priced clothes; that many of their customers would not pay more than a certain price for a suit and the figure mentioned was lower than any goods that were being produced by the company. Salesmen too were

clamoring for a lower-priced suit. They said: "If you will give us a suit to sell at this lower price, we'll capture the whole market."

The manufacturing chiefs refused to make clothes as low-priced as this demand called for. "It cannot be done," they said, "if we maintain our standards of quality in materials and workmanship." And there the matter stood. Merchants and salesmen were disappointed and felt a little rebellious; the merchandisers of the business were resolute. Under these conditions was begun the preparation of the season's advertising campaign, avoiding as carefully as possible this "low-price" subject. The copy for the campaign was finished and waiting for Mr. Schaffner's final reading and approval when business called him away. He was gone about ten days. Immediately upon his return he called the advertising heads together and said:

"I have decided on the best way to meet this low-price clamor. We shall put out an advertising campaign at once telling the pub-

lic that true economy in buying clothes is in paying \$—" (naming a price \$10 above the low price urged by retailers). "Instead of trying to compete with these cheaper goods we shall go in the opposite direction. We shall discard the advertising already prepared and get ready new copy on this new idea."

When this was announced and the first of the advertisements appeared, there was great dismay among merchants and salesmen. Nearly all of them thought it was a mistake; some said it was folly. But the event proved that the course was not only sound as a business policy but it was, more than that, a stroke of genius.

Mr. Schaffner's faith in "common honesty" was shown by the wording of the guaranty issued by the firm. He wrote as follows to a retailer:

"A guaranty that is limited by a bill of exceptions is not a guaranty at all, so far as the public is concerned. The guaranty of our clothes is outright and is written in as clear

and decisive terms as we can express them. There are no mental reservations behind it or qualifications of any kind whatsoever. It is impossible to promise perfection in any human product; we are not infallible; we take every precaution to avoid errors; but we do not think it is fair to expect anybody else to pay for our mistakes. Even if our work is perfect, the man who buys our clothes may not be satisfied; we guarantee and intend to guarantee his satisfaction; and his idea of what 'satisfaction' means decides it, not ours. Satisfaction is a mental, not a material, condition. We do not guarantee the goods; we guarantee satisfaction. A man may wear a garment for a month or two months or even three and get considerable service out of it, yet if a garment does not prove to be what the consumer has a right to expect, it is only fair that his complaint should be given the broadest interpretation and that he should receive his money back. This is the idea that we have expressed in our own guaranty. We

are not trying to do merely legal or technical justice; we want to do 'the fair thing'; we should much rather be unfair to ourselves, if necessary, than unfair to the man who thought he was buying satisfaction in our goods and found he was not getting it. Our guaranty explicitly proposes to satisfy the mental attitude of the consumer, even if it has to be done at some expense; but we consider that there is no other way to establish a firm foundation for public confidence."

Mr. Schaffner had so much confidence in the force of advertising that he sometimes expressed extreme views on it. In a letter from Atlantic City, where he was enjoying a rest, he wrote regarding the amount of newspaper space to be used:

"There is no use in taking too many bites at a cherry; swallow it at one gulp. I know you will come back with figures showing added cost, but what difference does it make if you get your returns so much more fully? Let's do something sensational and forget

about the cost until the returns are in next December. I know you will think I am the victim of the last man I consult. I am always ready to revise any opinion I have, if I find anything better, and that's my present conviction about the value of big space."

And again on the same subject a day or two later:

"You boys are 'tight-wads' and that is your strong recommendation for the positions you occupy; but I know you are willing to spend a dollar if you can get back a dollar fifty; and it's on this basis that we must view it."

There are numerous instances in which Mr. Schaffner's steady optimism as to the value of advertising and his constant encouragement led a merchant out of difficulty into success. A man with a small amount of capital but with a desire to do a high-class business took a larger store, at greater rental, and put in a large stock of fine merchandise. For several years he fought an up-hill battle for success; discouraged, he came many times to talk

with Mr. Schaffner, who said: "Keep on; you're on the right track; the results of such methods are certain; don't weaken. Do more advertising." He made the merchant believe in himself.

His efforts in leading merchants in this direction constitute a great and lasting service. His feeling was that by making a man subscribe to certain principles you really force him to live up to them and thus make him a better man and merchant. In everything that was sent to merchants there was a note of inspiration. He was happy if he could lead a man to set forth in his advertising a better and stronger policy. He would say frequently: "Now, if I can only get that man to say this over and over again, I shall make him believe in it and live up to it, and he will have a better business." So he put into many men's minds certain thoughts and expressions of an ethical and moral nature that had an inestimable influence in elevating the standards of the retail clothing business.

THE LETTERS HE WROTE

HIS letters were a literary achievement. In comparison with the average business compositions of the day, they were pearls of great price. He wrote easily and fluently and always his correspondence showed more of a desire to serve and benefit his correspondent than to gain something for himself.

Hundreds of his letters are today kept and treasured by happy and grateful recipients, not alone for their quality and beauty but for the hope and inspiration which they carried in their lines. It happened often that some man who had received one of these beautiful letters would say, "I don't suppose you remember the letter that you wrote me five years ago, but I want to tell you that it was the finest letter I ever received in my life and I have put it where I can preserve it for myself and show it to my children."

Mr. Schaffner sensed psychological effects intuitively. He went straight to the core of a subject with unerring accuracy. His reasoning was clear and direct; illustrations were apt and vivid, and a touch of familiarity was added here and there which had a perfectly winning effect upon the reader.

The scope of his letters was unlimited. They touched financing, publicity, merchandising, management, personal conduct, business ethics, labor, education and every form of business problem.

How vividly we can see him at his desk, dictating in his characteristic, vigorous way! He talked rapidly and hesitated only when he wanted a word to express the nicest shade of meaning. Then, once over the point of hesitation, there would follow a flow of words almost too rapid for the stenographer. His vocabulary constantly grew and it was always a delight to him when he found a new word that would add force or meaning to his letters.

When his indignation was once aroused, he could not wait, but would walk to the desk of the stenographer and pour forth his thoughts with great vehemence. Sometimes it was necessary, as a matter of business policy, to extract some of the fire from such letters, but in their original form they were a genius of force which no tempering could improve.

His letters to merchants always inspired to better things in business; sometimes they praised; sometimes they criticised—often severely; but always the spirit was friendly, appreciative of what he thought was good, and condemning what he thought was bad.

To one he wrote regarding a fair margin of profit:

"It isn't always necessary to get big profits in order to be successful. We believe in the reverse plan, and while we know it takes a certain amount of profit to make a business pay, it takes a good deal less profit than people imagine if they handle the problem in the right way."

To another, dealing with this same subject, the margin of profit, he said:

"The public very soon responds to values. It might be true that few people can tell whether a suit is worth \$2, \$3 or \$5, more or less; but there is a hidden principle that is unerring and that reveals the collective judgment of your community; when a policy of this kind is pursued for any length of time, they soon find out where the best values are offered. The good will that you create in this way and that brings new business into your store will much more than offset the slight sacrifice that you make in the reduced prices."

In another letter to the head of a large concern, he discussed value-giving, service and advertising, and incidentally disclosed his own simple, modest attitude toward the men who, under him, advised and helped him:

"The question that is vital is the one of giving values and service. When that reputation spreads in a community, as we believe yours has spread, you are bound to keep on

growing; in the proportion that you reach out in liberal newspaper advertising, you will get gratifying results.

"I did not mean, when I started in, to give you a talk that would separate you from your money in an advertising appropriation, but I am so much wrapped up and committed to this phase of the business that I have to be very carefully censored if my letters are to go out to our customers without some of this dope in them.

"They are pretty kind to me around here and, after I have started on this topic, they usually allow it to pass, so that, if it comes to you as I have written it, you will realize that, while I have started it on my own responsibility, it has been sanctioned by the authorities and it is therefore considered good advice.

"It seems to me that one thing which manifests itself very conspicuously in business today is the lack of enterprise on the part of most retailers and manufacturers. They are

too prone to follow the lines of least resistance. This does not apply to you or to us but undoubtedly you have observed it in others. It is just such a situation as this that makes an opportunity for progressive men.

"I hope I have not tired you. I want you to know that my interest in your success is even greater than the prospect of increasing our business with you. I am prompted by selfish motives, of course, but if I did not feel that my own selfishness were coupled with your self-interest, I should not think of making these suggestions."

Another merchant was a man who showed great accuracy and care in watching his business and who was a constant source of delight to Mr. Schaffner. While they did not meet often, their friendship was warm and real. Here is an extract from a letter written to warn against outside enterprises:

"I talk to you frankly about all things and in the spirit of an adviser and a critic. You cannot afford to make any mistakes after all

these years, and I cannot afford to let you. You have worked hard and deserve your reward. There is one thing I must say to you, which is that you should not withdraw money from the business to put into outside enterprises, no matter how alluring the prospect may be. Either be a merchant or the other thing; you cannot be both. No one ever made a success doing more than one thing; at least, not many people have done so. If they have, it was by accident. I know how sincerely earnest you are, that you are conscientious and scrupulous, but your outside ventures represent bad judgment. I cannot help but speak out frankly about this and hope it may be the means of checking your tendencies in that direction. What I write to you is not because we are at all apprehensive, but because we want you to realize the truth of a general principle. Also because we want to give you the benefit of our best judgment, which is to concentrate, to do one thing and one thing only, to strengthen your

capital and keep on advertising. You have been doing some excellent work. I do not know where I have seen anything that I consider quite as original, and it ought to be correspondingly effective."

A bank sent in an inquiry regarding a large account. The inquiry was of such importance that it was answered by Mr. Schaffner himself, and the bank replied asking if the company had any special arrangements to protect itself with the account in question. Mr. Schaffner was much incensed at the suggestion thus conveyed, that while he had been good enough to give some of the information desired, he might have withheld some facts of importance. His answer was a revelation of the man's unalloyed integrity. He wrote:

"If the ethics of banking justify concealing security, the ethics of our business do not. If we held security and did not mention the fact to you in our reports, it would be nothing short of corruption, and we are not at all flattered by your inquiry."

He was unalterably opposed to mixing business and politics. He felt that, if a man wanted to go into political work for patriotic reasons, it was a fine thing, but in that event he should get out of business. One letter written to a prominent merchant fully reveals his thought on that point:

"I have just been informed that you propose to enter politics and be a candidate for the state legislature. I was so much affected by it that I could not refrain from expressing to you my thorough disapproval.

"Perhaps you may say that it is none of my affair and, therefore, my disapproval does not matter to you but, in spite of this, I feel that I owe you a duty which I must be fearless in expressing and, at the risk of losing even your good opinion, I am going to do my duty.

"Politics for a business man is a very poor combination. A man who enters politics must expect to devote himself enthusiastically to the cause that he espouses. It is a constant

appeal to him and means unremitting, arduous and concentrated effort. It arouses ambition and his pride is involved to such a degree that he stakes almost everything and generally comes out, no matter how victorious he may be, disastrously. There are very few politicians who have not had a bitter experience of this kind.

"It might be all right enough if you had plenty of leisure and plenty of means and wanted to make a sacrifice from patriotic motives but, if you do that and can afford to do that, I should advise you to get out of business, because your business will surely suffer in more than one way. It will suffer by reason of your neglect and it will suffer because of the partisanship that you are bound to espouse. Politics will cost you a lot of money and it will mean lots of heartaches and weariness. It will take you away from your family to a great extent. It will put you in contact with temptations that will strain your manhood to the utmost.

"If you are ambitious to be a successful merchant, which I am sure is a very laudable aim, it seems to me that, since you have started out to make so much of your business, that in itself ought to give you sufficient activity to arouse the best that is in you. I think any man can well afford to devote himself to business and find in it compensations that will reward him richly for his devotion.

"I say this outside of pecuniary considerations. But it is not possible for a man to do this and have his mind occupied with politics and all of the many radiations of a political career. I have seen so much of this that I know what I am talking about. I have had occasion to warn a few people and, if they had heeded my warning, they would have been much happier than they are now. One of them did heed it rather late and is better off than if he had paid no attention to it at all.

"The idea that you will get glory and renown out of it, I think, is probably what actuates you but, instead of that, you will find

humiliation. You must be prepared to stand a good deal of abuse because that is the price you pay for the running and, if you are very sensitive, you cannot get sufficient satisfaction out of the office to recompense you for the chagrin that you will suffer. After you have spent a few years in this life, you will be unfitted for anything else. You will not be a fit man for a mercantile life because it will not be sufficiently exciting and, in the meantime, your business will suffer.

"I am writing very frankly to you about this and, as I said before, it may not meet with your approval, but that does not matter to me. I have expressed myself rather mildly. I think if I could have you face to face, I would be more blunt and give you even a stronger reason than I can put into a letter.

"I am not doing this to hurt your feelings or to say something for the sake of preaching. I am very deeply interested in the welfare of your concern. I feel that it requires the concentrated efforts of both of you to bring your

quarter.

Coupled with this is the same devotion and enthusiasm now which is unmistakably cherished by me.

We can accomplish anything reasonable that we intend to do and whatever we achieve will be in large measure due to the fine spirit that permeates the organization to cause of such examples.

Yours truly
Joseph Chapman

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business up to a point where it ought to be and where it is not as yet by any means. If you think you can afford to abandon your duty in this way, then your standing as a merchant must suffer and you must be prepared for the effect it will have upon your mercantile standing."

Mr. Schaffner's letters to salesmen were most stimulating, strongly supporting, encouraging to greater effort, and filled with friendly advice. He understood how to make significant use of praise and how to criticise so gently that his reader was not depressed. Many of his letters to salesmen have been preserved. The following is an extract from one such letter, written in 1900:

"I want to congratulate you on the nice order just received. It's the strongest kind of evidence that you are competent to discharge responsibilities of the most delicate nature. It certainly speaks well for your salesmanship and we are more than ever convinced that you are the right man in the right place."

From another, written in 1916, we take this:

"I have been criticising you lately. Now I want to praise you. The work that you have been doing shows what you can do when you get really stirred up and go out on the warpath. Now just keep this up the rest of the season, and you will get some nice letters from me. I know you have some that you have kept for nearly twenty years, and you can add this one to them. It is my tribute of admiration and appreciation of what you can do and your generally fine record during all the years we have been associated together."

The kindly mixture of praise and criticism in the following is characteristic:

"Some of you deserve to be criticised and we do not want to do that. We know how discouraging it is, when one thinks he is trying to do his best, and is out on the road away from home, to have faultfinding letters; but really some of you ought to get them,

only I am not very well qualified to fulfill this function. So if you will just take it upon yourselves to do your own criticising, and make your own self-examinations, and look into the inward springs of your salesmanship, you will see where the weakness is.

"It will certainly do none of you any harm, even those who are deserving of praise. All of us are better off if we set a high standard for our mark and if we are impatient of our own shortcomings. Self-discipline backed by determination and an invincible purpose is the most valuable asset any of us can possess."

Here is another example of his helpful and vigorous method:

"I believe, if we could really appreciate what we have here, we should be overflowing with the joy of our activities and grateful that we are connected with a business that has given us such opportunities.

"I do not think many of you realize what it means to be connected with all the fine things that have been developed in our busi-

ness here. Often men come to their daily work with aversion. Many a man comes to his desk in the morning with a feeling of revulsion. How much more difficult it is for those who are working under such conditions than it is for us who have so many elevating things to cheer us.

"The labor situation, which is something that is very seldom referred to, is to a large extent responsible for the high quality of our product, as compared to what it would be under ordinary circumstances. We have now a body of eager and sympathetic workers who are expressing their loyalty by the most devoted co-operation.

"Now, this is a little bit of self-praise that we can afford to indulge in and to whisper to each other once in a while, just to keep us from being too modest and self-deprecatory. Sometimes, you know, we go to the other extreme, but it is almost as bad to underestimate ourselves as to overestimate. We must be conscious of our strength and exult in it."

Enthusiasm was not simply a personal trait of Mr. Schaffner's character; it was a gospel, which he constantly delivered to his fellow-workers. In a letter to a discouraged salesman he wrote in part as follows:

"We realize that you are working under very unusual conditions and that you are meeting with obstacles that are probably greater than you have ever encountered. We are making due allowance for these conditions, and want to tell you that we are sure you are not overlooking anything that will help you to offset the difficulty. We know that if there is any man who can do this it is yourself, and we feel satisfied that you have done all anybody could do under the circumstances.

"All we ask of you is that you do not become discouraged. We know that you are working like a Trojan and doing your duty as you always have done it, and that when you get home you will bring with you all the business there is to be had. We shall try to

stir up enthusiasm enough to help balance things a little bit. We know if any goods can be sold down there you are the boy who can do it, and we want you to feel that we have the utmost faith in your loyalty and in your devotion to the business."

To the younger executives his correspondence was always a delight. From on board the "Imperator" on September 6, 1913, when it was about to sail for Europe, he wrote:

"Your rare judgment and enthusiasm are unspeakably cherished by me. We can accomplish anything we undertake, and whatever we achieve will be in a large measure due to the fine spirit which pervades our organization."

In the same year, from the Grand Hotel at Meran, he wrote:

"I have tried in my feeble way to tell you what good boys you are and I want you to get this acknowledgment even though you are already convinced of the place you hold in my esteem and affection."

Sometimes he gently chided one of us in a humorous vein. To one of the employes who was slowly recovering from a severe illness, and who expressed his distress at not being able to return to his duties, Mr. Schaffner wrote:

"Fretting and chafing is a good occupation for a balky horse; at least it is expected, even if it is not very laudable, even in a horse; but a man who has acquitted himself in all the relations of life as you have ought not to make a jackass of himself."

He expressed himself frequently with rare humor. Writing from Aix-les-Bains, while in Europe, of his son, he said:

"He is a dear, good boy. His great vice over here is running into bookstores. He has been obliged to read some of the best things and, strange to say, has enjoyed them."

While away in 1908, he received his daily letter from the office and, as an appreciation, wrote this from the Hotel Mirabeau, Aix-les-Bains, on June 7, 1908:

"You people in the office keep me so well informed about what is going on at home that I feel sure I am almost better posted than when I am on the spot."

Here is a characteristic letter, written from New York City on April 18, 1912:

"Just a few minutes before we leave for the boat and I have only time enough to acknowledge your Twentieth Century letter. It is an unspeakable joy to picture you boys in the organization with your enthusiasm and loyalty backed by sound judgment. Keep it up and continue to forget yourselves. Be careful to get plenty of rest and once in a while think of something besides business. I look forward, in spite of the disheartening sea tragedy, to a happy time and hope to find you all realizing your present expectations when I return." [The sea tragedy referred to was the sinking of the "Titanic."]

A letter to a young employe of the company, written on June 12, 1916, contained this fine, inspiring note:

"It will be a long time before you will use up what is on the credit side of your account on the ledger of my memory. Certainly there will be a balance too great for you to exhaust during my lifetime."

To another about to go abroad, he wrote:

"Here's wishing you a fine voyage and a happy time abroad. I assume you will be on the lookout for interesting art material. Perhaps some inspiration over there will lead to a canvas that will add fresh laurels to your reputation as an artist."

"You might even find some suggestion that would enhance the art work of the old, reliable firm of clothiers that you have done so much to make famous. At Algiers be sure to take a good look at the Arab quarters and also the beautiful St. George Hotel that is probably not open now."

"Well, wherever you are, make the most of your opportunities and be sure that my good wishes are around somewhere. Good luck and safe return."

He was always very particular about the character of the letters that were written by his associates and his example in letter-writing was the standard for the whole office. The maximum of praise to anyone was to be told that his letter was like Mr. Schaffner's.

At one time a famous New England house published a book including the best letters ever written and gave it the title "Selected English Letters." This book contained such letters as the following: Sir Henry Sidney to his son, Philip Sidney, Dean Swift to Alexander Pope, Dr. Samuel Johnson to the Earl of Chesterfield, Robert Burns to the Earl of Glencairn, Sir Walter Scott to George Crabbe, Samuel Taylor Coleridge to William Godwin, Charles Lamb to William Wordsworth, Lord Byron to Thomas Moore, Percy Bysshe Shelley to John Keats, Thomas Carlyle to Benjamin Disraeli, Thomas Macaulay to his father, Abraham Lincoln to Horace Greeley, Charlotte Brontë to Robert Southey, John Ruskin to Charles Eliot Norton, James

Russell Lowell to Ralph Waldo Emerson, Thomas Bailey Aldrich to William Dean Howells, all of them famous, and the list concluded with a letter from Hart Schaffner & Marx to one of its customers. The letter was one that had been prepared by a member of the staff in the usual course of business and the fact that the publishers thought it worthy to appear in such association gave Mr. Schaffner a great deal of pleasure.

In all his letters, the fine spirit of optimism, of friendliness, of good will, appeared in a generous degree. The sound business judgment of the man, his unselfish desire to help "the other fellow," his faithful readiness to criticise and admonish, all these were strongly characteristic of him. He simply expressed himself.

INDUSTRIAL RELATIONS



ONE of the most enduring and constructive acts of Mr. Schaffner's life is the part he played in establishing better relations between employer and employe.

The problem of industrial relations confronted his company suddenly in the last decade of his life; the field was one absolutely new to him but his mind was prepared to grasp it. He had read freely the writings of men who took a broad view of labor problems and his own natural desire to apply justice to every problem gave him a fine preparation for the task. He looked quickly into the real situation and his wisdom in the solution is a striking confirmation of the idea that a broad and liberal culture coupled with a practical grasp of the great principle of justice and right is really superior to any amount of special training.

His partners and he had established an acknowledged leadership in the clothing industry which was tangibly evident in the existence of a great establishment and they did not dream that the company was still to achieve a position of pre-eminence in the history of industrial relations.

Up to the time of the great clothing strike in Chicago in 1910, Mr. Schaffner had given little thought to the manufacturing phases of the business; his mind had been entirely engrossed in management and promotion. At that time of life, he had no intention of acquiring new interests or responsibilities.

The strike had become so prolonged and spectacular as to attract the attention of the newspapers which, after their manner, had set about to develop the sensational features of the situation. This publicity and the criticisms of committees, among the members of which were close personal friends, disturbed him greatly. The clothing business had only recently emerged from the contractors' stage.

Under that system, the manufacturer did not make the garments at all but sub-let the manufacturing to contractors, so that no relations existed between the company and the actual workers. Mr. Schaffner and his partners had departed from that system and had established what is known as "inside shops." An "inside shop" is one where the company employs the workers and directs all the processes itself and becomes the actual employer. That system existed when the strike began.

The first reports of the strike which came to the company failed to reveal anything of a troublesome or disquieting nature. Indeed, a few days before the strike, according to his statement before the Federal Industrial Relations Committee in 1914, Mr. Schaffner remarked to a merchant on the satisfactory condition existing in the company's shops.

During the earlier weeks of the strike, he believed the work of a few agitators whose influence would soon decline was responsible but, as the demonstration continued and the

bitterness increased, he was forced to occupy himself with it more and more. He was astonished and offended that his partners and he should be regarded as reactionary employers and held responsible for the situation. It had not occurred to him that there might be abuses in the system which prevailed in the shops. There was no lack of advice from employers experienced in labor disputes. They all warned him of the danger in making any concession to the workers, especially as it might encourage unionism in Chicago. Unionism, he was told, was the great menace which would jeopardize the institution which had been so successfully built up by his associates and himself in the past years and of which he was so proud.

Early in the struggles, the company consented to arbitrate, but stipulations had been made concerning the reinstatement of employes guilty of violence, which the strikers interpreted to mean the abandonment of their leaders in the strike.

Mr. Schaffner's mind became completely obsessed with the strike and he could think of little else. He endeavored to find some plan which would solve the problem. His sound and cautious business sense, however, would not permit him to adopt some course simply because it made a strong appeal to his generous sentiments without weighing it carefully as a business proposition.

He soon caught the concept that "the good will of the employes is a business asset comparable to the good will of the customer," and it shortly became the guiding principle in his thinking on industrial relations. His success in advertising was such that it was quite natural that the value of good will in general should have been highly appreciated by him.

He was prepared also to estimate at its true value the approval of public opinion and he could easily see that in the future the public was likely to become more and more interested in the conditions under which the clothing they wore was manufactured. In

his keen-sighted way, he had perceived that people are attracted toward business concerns as well as toward individuals who represented to them something worthy, whether on account of its beauty, its virtue, or its good repute. Just as he wished his own name to be associated with what is good and noble, so he wished the name of his company to be well regarded, for business as well as sentimental reasons.

The strike was finally settled by an agreement to arbitrate but this was only the first step in a movement looking toward the establishment of some system by which strikes would be impossible in the future.

He had never given much attention to the subject of industrial relations but his natural sense of "doing the right thing" was a safe guide in the delicate and somewhat intricate negotiations which were then undertaken between the firm and the leaders of the workers. He entered upon the conferences which followed with characteristic spirit; just as he

had faith in the high-minded policies of the firm in merchandising and advertising, so now this policy was exercised with reference to labor.

The difficulties which attended the transition from the old system of autocratic control to the new system of agreement were numerous and formidable. These difficulties were to some extent in the attitude of the mind of the men with whom he was dealing. The workers were slow in their adaptation to the new policy proposed, and few of them had much faith in it.

The greatest single step was taken when the power of discipline was taken away from the shop-foreman. Most of the practical men were positive that the plan would seriously impair the quality of the merchandise; that the foreman, not being able to exercise discipline, would be unable to get good results in the work. Under these circumstances, there was little to depend upon but faith; but his strong belief in the law of compensa-

tion, and his firm confidence in his own sense of justice and in doing the right thing, led him to assert that the compensation would be sure, even though delayed and not clearly discernible then. The results showed how thoroughly correct he was.

That quality in him which we call idealism had its source in a few fundamental principles which were firmly established in his mind, and which exerted their force at a time like that. He quickly grasped the point of view of the workers; he sympathized with their desire to have something to say about their own labor contribution to the success of the business and the conditions under which they were to work.

It is unnecessary to recount in detail the long negotiations, the discussions of policy and method which ensued, out of which grew the now celebrated "Hart Schaffner & Marx agreement."

The union leaders found themselves dealing with men of open-minded spirit, eager to

know and do the right thing; they were thus encouraged to approach the subject in the same attitude and the results were quickly secured. The "agreement" was a triumph of that spirit. It has been in force ever since it was first entered upon and has proved satisfactory to both parties. It is now revised every three years and renewed willingly by the firm and the workers.

In a letter addressed to one of the arbitrators under the agreement, Mr. Schaffner wrote: "If we go down in history as a pathfinder in a great movement, it will be an achievement that will be a richer reward than money can furnish."

In testifying before the Federal Commission on Industrial Relations at Washington in 1914, he thus characterized his own attitude; he said he believed that an employer of labor was a trustee, not only of the stockholders of his company, and of the customers of the house, but also of all those who worked with him and for him. His testimony at that time

was given wide publicity, the great newspapers of the country playing it up in their news columns and many of them referred to it editorially. A typical news article on the subject appeared in the "Chicago Tribune" on April 9, 1914, with the heading: "Harmony Needed to Avoid Strikes; Joseph Schaffner Explains How Industrial Peace Can Be Obtained." The despatch under a Washington date line of April 8th was as follows:

Joseph Schaffner of Hart Schaffner & Marx, Chicago, today offered the Federal Commission on Industrial Relations the most valuable suggestion it has yet received for settling wage disputes.

Recounting his own experiences as an employer of labor, Mr. Schaffner said it was necessary that there be harmony of interests between the employer and the employe to get satisfactory results from the business.

Officials Trustees for All

He expressed what is regarded as the most enlightened view of employment when he said:

"I believe that the officers of a corporation are trustees of the interests of all connected with the institution. Decisions affecting the interests of any

group should not be made until such interests have the opportunity to present their case. Where there is any doubt as to fairness of any decision or policy there should be a disinterested tribunal to review the decision.

"In my opinion, the chief cause of hostility and bad feeling between the employer and the employe is the usual lack of any means for determining what is right or wrong—i. e., the lack of common code or disinterested authority whose judgment is respected by both sides. Disputes once settled, even if one side loses, are seldom the cause of trouble; it is the unsettled disputes that are dangerous."

Mr. Schaffner, in speaking of the strike as it affected his own concern, said careful study of the situation led him to believe the fundamental cause was that the workers had no satisfactory channel through which minor grievances, petty tyranny, and exactions of minor bosses could be taken up and adjusted amicably. These grievances were allowed to accumulate without any sympathetic action on the part of the employers until finally the walkout occurred.

Conferences during the strike between representatives of the firm and representatives of the employes resulted in the building up of a republican form of government within the industry in which all interests were represented.

Results of New System

In speaking of this system the Chicagoan said:

"A summary of the essentials of the system which has produced such gratifying results in our institution would include:

"A labor department, responsible for industrial peace and good will of the employes, of necessity fully informed as to their sentiments, their organizations, and really representing their interests in the councils of the company.

"A means for the prompt and final settlement of all disputes.

"A conviction in the minds of the employes that the employer is fair and that all their interests are safeguarded.

"Constant instruction of the leaders and people in the principles of business equity, thus gradually evolving a code acceptable to all parties in interest, serviceable as a basis for adjustment of all difficulties.

"The development of efficient representation of the employes.

"A friendly policy toward the union so long as it is conducted in harmony with the ethical principles employed in the business and an uncompromising opposition to all attempts to coerce or impose upon the rights of any group or to gain an unfair advantage.

"A management that guarantees every man full compensation for his efficiency and prevents any one receiving anything he has not earned.

Restores Smaller Shop Conditions

"Briefly expressed," he continued, "it is simply the natural and healthy relation which usually exists between the small employer and his half dozen workmen, artificially restored, as far as possible, in a large scale business where the real employer is a considerable group of executives managing thousands of workers according to certain established principles and policies.

"I hope that it will become clear to everybody that the successful result of these developments had depended much less upon the formal and external features than upon the spirit with which it has been worked out. I am not able to say how far the success is dependent upon the men who have been instrumental in developing it but I do know that we have been most fortunate in our personnel.

"I wish to speak in the highest terms of the arbitrators and the chairman of the trade board, and also of Mr. Hillman, who developed a wonderful influence over people who came in contact with him because of his high ideals, his patience under trying circumstances, his indomitable faith in the ultimate success of right methods.

Will Accept Board's Rulings

"So long as the unions are working toward the ideal we aim at—i. e., justice toward every interest connected with the institution and the highest economic efficiency, which is the same as saying performing our duty toward everybody inside and outside of the institution, employes, stockholders, customers, and the general public—we wish to see them strong. We are willing that our Board of Arbitration should decide just what justice is and are willing to accept its interpretation.

"Because there is no guaranty that those who control the unions (which are often not representative of the members) will hold to this ideal, we do not care to be committed to the 'closed shop.' If such a change should come we would be required to restrict the power of the unions as far as we could."

An editorial relating to the foregoing testimony appeared in the "Chicago Tribune" on May 8, 1914, and, as it is representative of press opinion at that time, it is here reproduced:

"The labor press of the United States is making much of the statement recently made by Mr. Schaffner of Hart Schaffner & Marx before the

Federal Commission on Industrial Relations in Washington. The Hart Schaffner & Marx firm has won national prominence by the trade agreement it has made with its 7,000 employes, an agreement which gives both the manufacturers and the workers peace with honor.

"In giving his and his corporation's views on the labor problem, Mr. Schaffner had said: 'I believe the officers of a corporation are trustees of the interests of all connected with the institution.' The labor papers of the country welcome this statement. They see in this broad-minded utterance of a large employer of labor a proof that a new era in the relationship between capital and labor is at hand, an era in which the human factor in industry will be taken more and more into consideration.

"Not only labor people but every citizen who has the peace and welfare of the country at heart will find in this broad liberalism of certain employers relief from the gloom which such stubbornly contested strikes as those of West Virginia, Michigan and Colorado have thrown over the nation."

In the "Century Magazine" of July, 1915, there appeared an article entitled, "A Way to Industrial Peace," by George Creel, in which the author fully treated the industrial plan which Mr. Schaffner and his partners

had fathered and, after giving the details of the machinery, the article went on to say:

"Doubtless all this may carry an effect of confusion to the average mind, and yet its operation in the conduct of this particular business has become frictionless and even noiseless. During the last two years, there has not been a shop strike, there has seldom been an appeal from the price committee, the Trade Court considers an increasingly small number of cases, and since January, 1913, the Board of Arbitration has not been called upon to hear appeals in more than five or six cases.

"It is difficult to grasp the idea until one grasps the Schaffner theory of business. As he sees it, the large concern and its employes constitute a small society. Under conditions where the employer does not consider the rights of the employes, this society is a despotism, and under conditions where the workers are given a voice, it is a republic. When the change was made from the monarchical form to the republican form, the original agreement became the constitution, and the Trade Court and the Board of Arbitration were given legislative and judicial powers. What had to be done then was to have laws made and interpreted in such a manner as to give every member of the society full understanding of his rights, his obligations, and his responsibilities. * * * * *

"It must not be assumed that Mr. Schaffner is any amiable philanthropist, weakly willing to lose money and make concessions for the sake of basking in the warm light that streams from adulatory press notices. He is frankly a product of the competitive school, and has not advanced to his present attitude without making many a fight against his own bitter prejudices. Had he been convinced that right was on his side in the 1910 strike, he would have stood by his guns until destroyed. What such a man has to say must carry weight. He declares:

"Industrial peace will never come so long as either employer or employe believes that he is being deprived of rights honestly belonging to him.

"Arbitration and conciliation should be applied to all departments of a business, wherever there is a conflict of interest. If nothing more, it insures exhaustive discussion of every matter of importance, gives everybody an opportunity to express his opinions, frequently brings to light valuable suggestions, and makes possible a higher degree of co-operation and team-work. It is a method to be employed continuously to secure harmony and satisfaction.

"Patience and self-control are essential in administering a business on this basis. It is human nature to resent interference and to desire unrestricted liberty of action, but these conditions are not necessary and are often inimical to true success. Few

men can use unlimited power wisely, and no wise man will dispense with checks which tend to keep him in the right path; certainly he will approve of checks calculated to restrain his agents from arbitrary and unjust acts to fellow-employees.

"I have found that disputes once settled, even if one side loses, are seldom causes of trouble. It is the unsettled disputes that are dangerous. This failure of adjustment is largely due to the lack of means for determining what is right or wrong, the lack of a common code, and the absence of a disinterested authority whose judgment is respected by both sides.

"We did not realize, and we believe the majority of employers do not yet realize, the extent to which the attitude and conduct of their organized employees reflect their own policies and conduct.

"In our own business, employing thousands of persons, some of them newly-arrived immigrants, many of them in opposition to the wage system and hostile to employers as a class, we have observed astonishing changes in their attitude during the four years under the influence of our labor arrangement. They have come to feel that they can rely upon promises made by the company, and that justice will be done them by a system in which they themselves have a voice; and as a result, they are proud of their own honor, careful of their promises, and equally eager for justice to all."

Many other articles appeared in such magazines as "The Independent," "Survey," "Outlook," "Nation" and others, explaining to the public the nature of the Hart Schaffner & Marx agreement.

Mr. Schaffner declared that, when his mind was turned to industrial economics, he was too old to think very far into the fundamental principles of social justice, but his natural instincts made his contribution to industrial history as well as to the welfare of the clothing industry a most notable one. The agreement which he and his associates entered upon with their workers was the greatest advance made in industrial history in a generation.

The details of operation under this agreement have been widely published and are pretty generally known to all who are interested in such matters. They would be interesting here only as a light on the broad-minded and liberal attitude of Mr. Schaffner and his partners.

A single incident may be mentioned. It is reported that, when the conference was first in session after the long strike Mr. Schaffner said to those most directly in charge of the matter: "Now, let us not win any brilliant victories." The fine temper of the man could not be better shown.

HIS BELIEF IN HIGHER EDUCATION



DEEP and sincere admiration for intellectual attainments was an outstanding characteristic of Mr. Schaffner. The pleasure he gained from reading came as much from a veneration for the intellect which could accomplish such work as from the manner and matter of the work itself.

He was himself an idealist by nature if not by college training; he had a reverence for learning and put a high value on the trained mind.

But he was always the man of business; and one of the most remarkable things about him was that nothing he read and nothing he thought seemed foreign to the one thing to which he had set his mind—the building up of the really great business structure which his partners and he were rearing. Business

meant to him the opportunity to express his ideals and to achieve something more worth while than merely making money, although his desire for profitable results was as keen as any business man's. He held that profit in business was an evidence of the soundness of his ideas.

Some years ago certain prominent business men were inclined to belittle the value of college and university training; and some of them said very plainly that the standard processes of higher education unfitted men for business life; developed impractical theorists and idealists.

Mr. Schaffner neither underestimated the value of a college education nor did he overvalue it. He firmly believed that the training and development of the mental powers gave men a foundation that should logically be of service to business. It was the old controversy between the so-called practical idea in education and the cultural idea. He held the view that the value of a college training

depended not so much upon what was put into a man's mind as what was brought out of it.

He would have said, in the words of a modern essayist, "The highest service of the educated man in our democratic society demands of him breadth of interest as well as depth of technical research. It requires unquenched ardor for the best things, spontaneous delight in the play of mind and character, a many-sided responsibility that shall keep a man from hardening into a mere high-gear, technical machine. It is these qualities that perfect a liberal education and complete a man's usefulness to his generation. Taken by themselves, they fit him primarily for living rather than for making a living."

That quotation well defines Mr. Schaffner himself. He was increasingly convinced that if college men would interest themselves in business, rather than turn from it to the professions, the training of the college would be of the highest value to the man and to the business.

There were no illusions in his mind that college training could be substituted for practical experience or that without college training there could be no deep intellectual life. His own career was evidence to the contrary. He was associated with men, his partners as well as the leading executives of the business, whose natural intellectual endowments bespoke leadership for them with or without the advantages of higher education. He knew also that to some extent colleges spoiled men for business; that the atmosphere of college life had a tendency to create false standards and too often to give a tinge of self-importance. On the other hand, he knew that education for years had been used mainly for the professions; that the law, medicine, ministry, required careful study and preparation, and he felt that, if mental training could be given and knowledge could be imparted that was of value to the professions, data could be accumulated and principles established and taught concerning business.

It was natural, therefore, that he should concern himself with a plan for directing toward business the energies of the trained thinker.

The idea of the Hart Schaffner & Marx prizes for economic essays which were publicly announced in 1904 must have been in his mind for years. He was anxious to stimulate a real interest in business on the part of students and he felt that some invitation from business itself would be effectual and at the same time promote the idea of study, research and investigation in the business world. Out of his thought and plan along these lines came another thing of great public importance and of vital interest to him to the end of his life—the Northwestern University School of Commerce.

The prizes for economic essays were the first definite expression of his faith in education as an aid to business. The idea of giving prizes was freely supported by his partners, who contributed annually their share of the necessary funds to carry it on.

The announcement of the offer of the prizes appeared in 1904 in the Chicago newspapers and created much interest. From the day they were offered, the prizes were never in any way connected with the business except in the committee announcement which stated simply that they were given "through the generosity of Hart Schaffner & Marx."

A notable group of men, conspicuous in the economic world, were invited to compose the committee which conducted the essay contests. The chairman of this committee was Professor J. Laurence Laughlin of the University of Chicago. He and the men associated with him were delighted to have a business house enter the educational field in this way and they enthusiastically took up the work. All of the details for the conduct of the prizes, the selection of subjects, the conditions and classes, were handled by the committee. Following is a copy of the first announcement and all of the announcements after that were patterned after this style:

Prizes for Economic Essays

In order to arouse an interest in the study of topics relating to commerce and industry, and to stimulate an examination of the value of college training for business men, a committee composed of

Prof. J. Laurence Laughlin, University of Chicago, Chairman;
Prof. J. B. Clark, Columbia University;
Prof. Henry C. Adams, University of Michigan;
Horace White, Esq., New York City, and
Hon. Carroll D. Wright, National Commissioner of Labor,

have been enabled, through the generosity of Messrs. Hart Schaffner & Marx, of Chicago, to offer four prizes for the best studies on any one of the following subjects:

1. The causes and extent of the recent industrial progress of Germany.
2. To what is the recent growth of American competition in the markets of Europe to be attributed?
3. The influence of industrial combinations upon the condition of the American laborer.
4. The economic advantages and disadvantages of present colonial possessions to the mother country.
5. The causes of the panic of 1893.
6. What forms of education should be advised for the elevation of wage-earners from a lower to a higher industrial status in the United States?
7. What method of education is best suited for men entering upon trade and commerce?

A First Prize of One Thousand Dollars, and a
Second Prize of Five Hundred Dollars, in Cash,

are offered for the best studies presented by Class A, composed exclusively of all persons who have received the bachelor's degree from an American college since 1893; and

A First Prize of Three Hundred Dollars, and a Second
Prize of One Hundred and Fifty Dollars, in Cash,

are offered for the best studies presented by Class B, composed of persons who, at the time the papers are sent in, are undergraduates of any American college. No one in Class A may compete in Class B; but any one in Class B may compete in Class A. The Committee reserves to itself the right to award the two prizes of \$1,000 and \$500 to undergraduates, if the merits of the papers demand it.

The ownership of the copyright of successful studies will vest in the donors, and it is expected that, without precluding the use of these papers as theses for higher degrees, they will cause them to be issued in some permanent form.

Competitors are advised that the studies should be thorough, expressed in good English, and not needlessly expanded. They should be inscribed with an assumed name, the year when the bachelor's degree was received, and the institution which conferred the degree, or in which he is studying, and accompanied by a sealed envelope giving the real name and address of the competitor. The papers should be sent on or before June 1, 1905, to

J. Laurence Laughlin, Esq.

University of Chicago

Box 145, Faculty Exchange Chicago, Illinois

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After the death of Mr. Carroll D. Wright and Mr. Horace White, their places were taken by Professor Edwin F. Gay and former United States Senator Theodore E. Burton, and the committee so stands today. Subjects are approved; announcements are sent to all colleges and to the leading economists of America; the papers are read and by a process of elimination come down to the few which are possible winners. The reading entails great work. An idea of the character of the essays and the wide variety of subjects covered can be obtained from the following list of essays which have thus far been published in book form:

The Arbitral Determination of Railway Wages,
by J. Noble Stockett.

The Results of Municipal Electric Lighting in
Massachusetts, by Edmond Earle Lincoln.

The Chicago Produce Market, by Edwin G.
Nourse.

Railway Rates and the Canadian Railway Com-
mission, by Duncan A. MacGibbon.

Railroad Valuation, by Homer Bews Vanderblue.

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The Taxation of Land Value, by Yetta Scheftel.
 The Canadian Iron and Steel Industry, by W. J. A. Donald.
 The Tin-plate Industry, by Donald Earl Dunbar.
 Means and Methods of Agricultural Education, by Albert H. Leake.
 The Cause and Extent of the Recent Industrial Progress of Germany, by Earl Dean Howard.
 The Causes of the Panic of 1893, by W. Jett Lauck.
 Industrial Education, by Harlow Stafford Person.
 Federal Regulation of Railroad Rates, by Albert N. Merritt.
 Ship Subsidies, by Walter T. Dunmore.
 Socialism: A Critical Analysis, by Oscar D. Skelton.
 Industrial Accidents and Their Compensation, by Gilbert L. Campbell.
 The Standard of Living Among the Industrial People of America, by Frank Hatch Streightoff.
 The Navigable Rhine, by Edwin J. Clapp.
 Social Value, by Benjamin M. Anderson, Jr.
 History and Organization of Criminal Statistics in the United States, by Louis N. Robinson.
 Freight Classification, by J. F. Strombeck.

Waterways versus Railways, by Harold G. Moulton.
 The Value of Organized Speculation, by Harrison H. Brace.
 Industrial Education, Its Problems, Methods and Dangers, by Albert H. Leake.
 The U. S. Federal Internal Tax History from 1861 to 1871, by Harry E. Smith.
 Conciliation and Arbitration in the Coal Industry of America, by Arthur E. Suffern.
 Welfare as an Economic Quantity, by G. P. Watkins.
 The Meaning and Application of "Fair Valuation" as used by Utility Commissions, by Harleigh N. Hartman.
 A History of the Atlantic Coast Line Railroad, by Howard Douglas Dozier.
 Mr. Schaffner took the greatest delight in the prize essays. He had hoped at the outset that the number of contestants would be legion but he quickly saw that worth-while productions could come only from long study and careful research and that such studies advanced the cause of commercial education

much more than a great quantity of mediocre productions could do.

He was delighted, too, in the associations which the prize essays created. To Professor Laughlin he was very close, and there was a fine mutual attachment between the educator and the business man. Between Dean Gay of Harvard and Mr. Schaffner there was the deep respect of one ardent man for another. Other members of the committee he met at times or exchanged letters with them.

He always had great interest in the winners of the prizes. The first winner in 1904 later became an intimate of Mr. Schaffner and ultimately joined the business to become one of its executives. Others called or wrote; the former received genial welcome, the latter beautiful letters.

The establishment of a School of Commerce in Chicago was a natural sequence to Mr. Schaffner's thought on the subject of commercial education. One or two such schools existed in the East, notably at the

University of Pennsylvania and the College of the City of New York, and the project of a school in Chicago quickly commanded his support. After a preliminary survey, the idea was presented to Northwestern University and arrangements were quickly made.

He shrank from the thought of becoming the patron of an educational institution; he wanted to get the thing done but wished to be as inconspicuous in it as possible. He invited a group of business men of the city to lunch at The Mid-Day Club. At this meeting it was decided that the Association of Commerce was the proper body to promote the plan. One of the regular Wednesday meetings of the Ways and Means Committee was given to the subject and a committee was appointed to prepare a plan. The idea of interesting as many business men as possible in the project was adopted and a board of guarantors was organized and the school was begun. The first guarantors of the school were the following:

Alfred L. Baker
 Adolphus C. Bartlett
 Harold Benington
 Jonathan W. Brooks
 Charles L. Brown
 R. S. Buchanan
 Edward B. Butler
 J. Fred Butler
 Fayette S. Cable
 James R. Cardwell
 John Alexander Cooper
 Joseph H. DeFrees
 A. Lowes Dickinson
 Herman J. Dirks
 George W. Dixon
 William A. Dyche
 Charles W. Folds
 David R. Forgan
 Edward E. Gore
 Richard C. Hall
 William F. Hypes
 J. Porter Joplin
 William Kendall
 Edward C. Kimbell
 Charles S. Ludlam
 John Lee Mahin
 Charles J. Marr
 Charles A. Marsh
 James Marwick
 Stephen T. Mather

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L. Wilbur Messer
 E. S. Mills
 S. Roger Mitchell
 Arthur G. Mitten
 Luman S. Pickett
 Ernest Reckitt
 William H. Roberts
 Isadore B. Rosenbach
 Albert W. Rugg
 Joseph Schaffner
 Charles H. Schweppe
 John W. Scott
 W. Ernest Seatree
 Elijah W. Sells
 A. W. Shaw
 George W. Sheldon
 Edward M. Skinner
 Allen R. Smart
 Mason B. Starring
 Joseph E. Sterrett
 Homer A. Stillwell
 Seymour Walton
 Harry A. Wheeler
 F. F. White
 John E. Wilder
 T. Edward Wilder
 Orva G. Williams
 Henry W. Wilmot
 W. A. Winterburn
 Arthur Young

The school began modestly in 1908 with 255 students. Offices and class-rooms were provided in the Northwestern University Building at the corner of Dearborn and Lake Streets. Professor Willard E. Hotchkiss became the first dean of the school. He gradually assembled a faculty which in the course of time became as strong as any faculty on commercial and industrial teaching in the country. The school showed strength from the very start and it was only a comparatively few years until there were 700 or 800 students and a constantly growing interest. Meanwhile, the dean of the school came to Mr. Schaffner concerning all of his plans. He received ample moral support in discouraging moments, not to mention the very handsome gift of money which Mr. Schaffner made to the school and which did a great deal to help it over the rough places in the first ten years of its existence. The enrollment for the school year of 1920-1921 has recently been completed. The evening school in the Northwestern

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University Building has 2,446 students and the day school on the campus at Evanston has 255. The contribution which the school is making, not only in the good that it does the students, most of whom have positions in various commercial and industrial concerns in Chicago, but the research work which is undertaken by the faculty of the school, is of a character that promises fine development.


Mr. Schaffner did not have positive ideas as to the technology of teaching commercial subjects except that he had a strong tendency toward the liberal and cultural as against the narrowly useful. His interest in commercial education seemed to grow out of his desire to have men of education and culture around him in business and his thoughts naturally turned to the means for getting such men to enter business.

It was characteristic of him that he deprecated any efforts to pay him honor for what he had done for the cause of commercial education. The faculty and students at the

Northwestern University School of Commerce were constantly desirous of showing him their gratitude but on only one or two occasions could he be induced to attend meetings and then only to sit with the audience where he would not be conspicuous. The catalogue of the school once contained a reference to him as its founder and he asked that it be eliminated. Despite this entirely sincere modesty, he is regarded by all persons as the man who gave the school the necessary encouragement and financial support at the start and he is commonly acknowledged as the school's founder.

One honor he did accept and appreciate. He was elected a trustee of Northwestern University, an institution built on denominational lines and still so much attached to its denominational traditions that the election constituted an unusual and special tribute to Mr. Schaffner's worth and work.

THOUGHTS ON SUCCESS

N a letter written in 1915 or 1916, Mr. Schaffner discussed success and commented on the element of circumstance in connection with it. His thoughts were dictated in an off-hand manner, without the remotest idea of their being published, but they so well define the man that certain paragraphs taken disconnectedly are herewith reproduced:

“To be successful in the real meaning of the word is to aspire to something besides and beyond money.

“In business, our standing as merchants is measured by financial results. But these are a reward only when they represent qualities that make one's activities useful and honorable.

“Many so-called successful men are poverty-stricken in character and live lives of moral and intellectual penury.

"While there is occasionally a successful man who owes his success almost entirely to luck, still even in his case to be able to hold onto his success shows that he has qualities which are unusual.

"It's harder to keep what one makes sometimes than to make it. Lots of people have, after acquiring a fortune, lost it all or most of it through some weakness of judgment.

"Most men are surprised by their own success when it reaches the dimensions that some have attained.

"Imagination is one great essential; judgment is another. Many men have opportunities but do not see them. They start with plenty of enthusiasm but become impatient at the slow progress they make and change for something they think better and so they go on from one thing to another. Others have not enough enterprise to realize that they are in the wrong place and stick to an unpromising position all their lives, often at the cost of happiness.

"The important thing is to know what opportunity really is when it appears; to be able to analyze it, perhaps only intuitively, but to know when there is a chance to make work mean something.

"Most men in business who come up from boyhood are successful because they have brains, character and industry. They inspire confidence. Responsibility is gradually handed over to them and, as they acquit themselves creditably, their opportunities enlarge. Deserving men under more appreciative management would do much greater things. Circumstance is a big factor but, after all, the circumstance, in order to materialize, must find the man with judgment enough to realize his opportunity.

"The backbone of real success is character, fortitude, courage and judgment. Many an impending failure has been turned into a success by the courage of those concerned.

"Confidence is an essential for every man to aspire to; to have people believe in him,

in what he makes and sells or what he says and does. You will find in talking with men of affairs generally that something in their personality commands respect and confidence and it is that very thing that their employers admired in them at the start.

"Judgment is one of the greatest factors. You will seldom find a man, no matter if he is educated or not—he may be very illiterate—but if he is signally successful he has judgment; he knows men, and judges and gauges conditions.

"There are always critical junctures in every business when the judgment and vision of one or sometimes two men decide its fate. But back of it all must be courage."

In the same letter he gave a glimpse of his own business experience which, because it came from his own pen, is deeply interesting. It is reproduced substantially as written:

"Before becoming associated with Harry and Max Hart, I was in one position for seventeen years and had gone through a daily

grind of bookkeeping and credit-making. The people I was with were conservative merchants and, while they were very nice to me, they probably did not consider my ability anything more than ordinary. After many years of service, I felt that I must resign, although it was with fear and trembling. I had no idea how I would be able to make a living. My family were dependent on my earnings. I went to St. Paul to lay the matter before a relative and it was decided that I should go there and start in the mortgage business. Immediately I announced my resignation and, so that I could not retrace my steps, I made it publicly known.

"A few days later I met Harry and Max Hart and asked them what they thought of the step I was taking. They said they had not made up their minds that they were going to let me go. I knew what that meant. I said, 'If you want me to stay, I will stay.' It happened that there was a change then taking place in the firm. My joining them

would never have occurred to them, however, if I had not been free. They would not have made overtures to me if I had not myself withdrawn from the other concern.

"I mention this to show that a large element of luck was connected with the whole situation. The fact that this opportunity existed and was waiting for me and my own determination to sever my connection developed about the same time. Otherwise I might have gone into the mortgage business and made a miserable failure.

"My own confidence in myself was not nearly as great as my confidence in Harry and Max. They had a nicely established business. They needed me but I needed them much more. They encouraged and inspired me. When I started to do a little modest advertising, I had no idea where it would lead, certainly never dreaming it would develop as it did. If I had not been associated with men of such eminent merchandising ability there would have been no such results."

TWO TRIBUTES



AN event which brought much gratification to Mr. Schaffner in the latter year of his life was his association and friendship with John E. Williams of Streator, Illinois. Mr. Williams was the first chairman of the Arbitration Board which came into being through Mr. Schaffner's desire to dispense justice to the employes of the company. He was well known in labor circles; he was a man of the finest character and of a remarkable sense of conciliation; he was called a "professional conciliator."

There was a warm mutual attachment between the two men and no one was more deeply moved by the death of Mr. Schaffner than Mr. Williams. At his home in Streator, he sat down in deep sorrow and penned a personal tribute which was so beautifully written and so splendidly expresses Mr.

Schaffner as he was understood by his associates that we are glad to preserve it by reproducing it here:

"With the passing of Joseph Schaffner, there passed one of the finest souls, one of the most gracious, most chivalrous spirits I have ever known. In him was combined a remarkable capacity for business with an unusual genius for the gentler arts of life.

"He was a pioneer in the great movement for industrial peace, a leader among the manufacturers of our day whose larger and more generous vision enables them to contemplate the coming of an era of fairer relations between employers and employed. Not only did he aspire for the coming of this era, but he labored in practical fashion to bring it about; and the success of the famous labor agreement of Hart Schaffner & Marx is in large measure due to his liberal and understanding spirit, his patience, faith and loyalty.

"As arbitrator under that agreement, my own faith has many times been confirmed by

his unfaltering confidence, and in more than one critical situation his generous attitude, his unselfish devotion to our common ideal, has helped to support the new industrial experiment and to keep it in safe and successful courses.

"Joseph Schaffner was a business man plus. He loved good literature and high thinking. He counted among his friends the greatest souls of history; he communed with them daily in his library and drew from them inspiration and serenity; and he carried their aroma into the counting room and spiritualized that usually arid atmosphere. No doubt the spirits of Matthew Arnold, John Ruskin, Ralph Waldo Emerson and the other great souls of literature had through him their part in humanizing modern business and so making possible the success of the Hart Schaffner & Marx agreement.

"I do not mourn Joseph Schaffner. He has added something to my life that cannot pass. The contact with such a soul leaves effects

which are immortal. He lives on in thousands of lives—those associated with him in the counting room, in the work shops, in business and social life; and all of them have been enriched by knowing him, all of them have had their estimation of human life ennobled by him, and the total wealth of the world has been increased by as much as he has strengthened men's faith in the worth and dignity of human life.

"I rejoice that Joseph Schaffner has borne witness to the worth of our common life. I salute him on his passing and bid him, in the words of Browning, 'greet the unseen with a cheer.' Good-bye, Joseph Schaffner, modern business man and perfect gentleman. I thank you for having lived your life among us."

A few days after Mr. Schaffner's death, his associates sent the following letter to hundreds of his personal and business friends to express in a small way their sense of great loss and their resolution to carry on as far as they could his work according to his ideals:

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"It has not been possible until now to write you about Mr. Schaffner. Our depth of feeling has not given us the command of words. He represented so much splendid friendship and such high inspiration to those of us with whom he daily came in contact that we who knew him best are almost dumb when we try to put into words the things we feel and want to say about him.

"We knew he was very, very ill, and in great sorrow we feared the worst, but a full sense of what it means to be without him came only after he had gone.

"Tributes to Mr. Schaffner have been paid by men in every walk of life—from university men who rejoice in the stimulation and encouragement he gave them; from business men who, surveying his work, recognize its genius and power; from representatives of labor who looked upon him as a friend of sympathetic understanding. These tributes are so numerous and from so many sources that it is not possible to give them to you.

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"Those of us who have worked with Mr. Schaffner have, in his passing, accepted a great trust. To us he has given stimulation, encouragement, hope, praise, ambition, determination and happiness. Whoever talked with him intimately walked out of his office in a glow such as only a man of great intellectual power and remarkable sympathy could impart.

"We have received much from him. It is now our high resolution to immortalize what he gave us, to carry it into our daily life, to transmit it to our business, to our families and to our friends. Whatever we can do to perpetuate his thought and his spirit will be to aid in the perpetuation of something great and noble.

"What is the greatest tribute we can pay to his memory? The flowers we send soon wither; the words we speak, however eloquent, are soon 'a part of the silence.' The love we feel for him will continue in our hearts as long as we live; but love is in deeds, not merely in thoughts and words.

"Mr. Schaffner lived for ideals; he helped every man who came under his influence to be a better man—better in business, better in daily living, better in his relations to the public and to his associates. He was an inspiration. He helped to make the clothing business, not only his own business but that of the customers of the house, and even that of competitors, cleaner, better, higher in tone. He helped to make the relations between employer and employe better, sweeter, more human.

"Our duty is to live for and carry on his ideals. We can raise no greater monument to this noble life than to consecrate ourselves, in his high spirit of brotherhood, to the further and greater realization of his splendid purposes.

"To this great enterprise, we now summon every man who knew and loved Joseph Schaffner."

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